Regulatory Challenges for Agritourism Operators in British Columbia

Ministry of Agriculture, Food and Fisheries
August 2002

Table of Contents

EXECUTIVE SUMMARY 3

INTRODUCTION 6

REGULATORY ENVIRONMENT IN BRITISH COLUMBIA 7

OVERVIEW OF OTHER JURISDICTIONS 8

1. Canadian Provinces
2. United States

SURVEY DEVELOPMENT 12

3. Survey Design
4. Sampling
5. Data Collection & Field Procedures
6. Populations not surveyed

SURVEY RESULTS: REGULATORY CHALLENGES FOR OPERATORS IN BC 15

8. Survey Findings Province-wide
9. Regional Findings

BEST PRACTICES & RECOMMENDATIONS 22

10. Best Practices from Other Jurisdictions
11. Recommendations for the Industry
12. Recommendations for the Ministry of Agriculture, Food and Fisheries

CONCLUSION 26

APPENDICES 27

A. Summary of Regulations in British Columbia 27
B. Survey Questionnaire 36
C. Survey Findings – Provincial Aggregated 44
D. Survey Findings – Thompson-Okanagan 47
E. Survey Findings – Vancouver Coast 49
F. Survey Findings – Vancouver Island 51
G. Survey Findings – Cariboo-Chilcotin 54
H. Survey Findings – Rockies 56
I. Survey Findings – Northern BC 58

Executive Summary

Introduction

Agritourism is defined as travel that combines agricultural or rural settings with products of agricultural operations – all within a tourism experience. It includes, for example, fruit and vegetable stand shopping; winery, orchard, garden and alpaca tours; farm-based bed and breakfast accommodation; and participation in harvest festivals, farmer's markets and cattle drives. Notwithstanding predictions that this industry has an economic potential in the next five to eight years comparable to that experienced by British Columbia's wine industry, agritourism operators are facing legal and regulatory constraints, which are affecting the overall growth of the industry.

This project attempts to identify the particular regulatory areas that are affecting the industry and the effect these regulations have on the economic viability of the industry.

Regulatory Environment in British Columbia

There are thirty-five separate laws and regulations that impact the agritourism sector. These regulations stem from three levels of government and include:

- zoning and land usage;
- health and food safety;
- business registration/licenses and permits;
- environmental;
- employment standards;
- production and inspection guidelines, and
- protective legislation like the "right to farm" act

British Columbia (BC) is a unique province in that the Agricultural Land Reserve Act (ALR) designates a provincial zone in which agriculture has the priority use. Regulatory changes to the ALR will be effective on November 1, 2002. These changes expand which activities are permissible on ALR land, including certain agritourism activities.

Regulatory Environment in Other Jurisdictions

Aside from the ALR, the regulatory environment in other Canadian provinces appears to be highly comparable to BC in terms of number and content of regulations. Despite similar regulations:

- Nova Scotia and Alberta have taken steps however to add clarity to the regulatory environment for agritourism operators in their provinces.
- Ontario, with a well-developed agritourism industry, is reviewing the rigor of its regulations.
- In the United States, several states have begun to introduce legislation that applies specifically to the agritourism sector. Examples of such legislation are not necessarily recommendations for BC, but serve for informational purposes as regulatory initiatives undertaken in other jurisdictions.

Survey Methodology

In consultation with industry analysts and the Ministry of Agriculture, Food and Fisheries (MAFF) statisticians, a questionnaire was designed for agritourism operators to shed more light on the regulatory environment in BC:

- A sample of operators from six regions in the province was selected to complete the survey.
- With a cross-section of the entire province, it was anticipated that many of the major regulatory constraints from all levels of government would surface.

Survey Findings

The key regulatory obstacles identified province-wide in the survey are:

- land usage/zoning;
- signage on municipal roads and provincial highways;
- building permits and the building code;
- sewage, sanitation and washroom requirements;
- commercial kitchen requirements;
- restrictions on sales of off-farm products; and,
- water sampling requirements

Survey findings revealed how operators communicate and understand the regulatory environment as well as findings on the financial cost of regulatory compliance.

Regional survey findings indicate there is variance in terms of the stage of agritourism development and, consequently, the degree of issues that agritourism operators confront depending on where they are located in BC:

- The Thompson-Okanagan and Vancouver Coastal regions are the most developed and agritourism operators appear the most content with the regulatory environment.
- Vancouver Island appears to be at a crossroad, with half of the industry well established and the other half engaged in rural/urban conflict or struggling for survival.
- Cariboo-Chilcotin, primarily a rural area and moderately developed in the agritourism industry, is facing provincial and federal regulatory challenges.
- The Rockies and the Northern region are the least developed agritourism-wise and are facing few problems either due to the lack of regulatory enforcement or because fewer conflicts arise in the absence of municipalities.

Best Practices & Recommendations

Other jurisdictions like Nova Scotia and Alberta have taken important steps to add transparency and ease of access to regulatory information for agritourism operators:

- Nova Scotia has developed a one-window access point on the Internet for all permits, licenses and other regulatory requirements for business operators.

The strength of Nova Scotia's system is the inclusion of municipal regulations.

- Alberta has published a guide to the regulations that are relevant to agritourism and direct farm marketing operations. Alberta has also developed several factsheets and case studies of agritourism operators that are useful in encouraging potential operators to consider all business issues (including the cost of regulatory compliance).
- Alberta has established a self-regulating Alberta Country Vacations Association, whereby membership is conditional on inspection and compliance with all regulations.
- The Niagara Escarpment in Ontario serves as a forewarning of issues that may present themselves in BC during later development stages, especially in regards to rural/urban interface conflicts.

Recommendations for the agritourism industry are based on the experiences of the most successful operators surveyed and research of other jurisdictions. Those who are successful:

- Plan for regulatory requirements
- Treat agritourism as a separate business venture
- Expect to invest in health and safety requirements
- Discover that regulatory compliance can be good for business
- Form a self-regulating industry association
- Develop strategic partnerships

Recommendations for MAFF are based on the survey findings that there are clear regulatory areas that most operators, regardless of where they are located or their particular business activities, consider as hindrances to development. With the upcoming changes to the regulations in the Agriculture Land Reserve, the government has already committed itself to resolving some of these issues. MAFF should:

- Continue to support provincial standards for farm land usage
- Provide regulatory transparency & other resources
- Foster municipal government buy-in

Introduction

The agriculture industry has experienced significant change over the previous four decades whereby farmers are now looking beyond traditional farm enterprises to generate income. These include various forms of direct farm marketing and other farm-based businesses. A form of secondary enterprise that offers much promise in adding value to a growing number of farm operations is agritourism. Agritourism is an emerging sector with economic potential in the coming five to eight years comparable to that experienced by the wine industry in British Columbia (BC). In 1995, an estimated $14.3 million in gross revenues were generated province-wide by strictly agritourism businesses. Agritourism is defined as travel that combines agricultural or rural settings with products of agricultural operations – all within a tourism experience. It includes providing visitors with opportunities to experience a broad spectrum of agriculturally based products and services ranging from fruit and vegetable stand shopping (direct farm marketing) to winery, orchard, garden and alpaca tours. It also includes farm-based bed and breakfast accommodation to visitor participation in harvest festivals, farmer's markets and cattle drives.

This project joins three distinctive goals of the Ministry of Agriculture, Food and Fisheries (MAFF): (1) to assist in the development of emerging industries; (2) to facilitate diversification options for farm operators; and, (3) to continue to promote agri-tourism as a method of diversification for farmers in British Columbia. An *Agritourism and Direct Farm Marketing Survey* conducted in 2001 revealed that agritourism operators were facing legal and regulatory constraints, which in turn is affecting the overall growth of the industry. This project attempts to identify the particular regulatory areas that are affecting the industry and the effect these regulations have on the economic viability of the industry.

The project undertook several tasks, the final results being this report. Project steps included:

1. Reviewing the regulatory process as it presently exists in BC;
2. Researching other jurisdictions in Canada and the United States for comparison purposes;
3. Developing a survey questionnaire for the collection of information from

agritourism operators on the time and monetary costs of complying with the existing regulations;

4. Conducting the survey with a sample of agritourism operators from across the province;

5. Tabulating and analyzing the survey results on a regional basis as well as aggregating them to form a provincial whole;

6. Making recommendations including best practices from other jurisdictions to improve government's role in the agritourism industry in BC.

Regulatory Environment in British Columbia

There is no single act that specifically regulates agritourism in British Columbia. Rather, several different regulations coming from the three levels of government build the regulatory framework within which the industry operates. In addition to the federal and provincial regulations, there are 154 municipalities and 27 regional districts with the power to make by-laws in the province. The major categories of regulations that apply to the industry include: zoning and land usage, health and food safety, business registration/licenses and permits, environmental, employment standards, production and inspection guidelines, and protective legislation like the "right to farm" act. A listing of over thirty-five separate pieces of legislation and regulations were found relevant to agritourism operations. A full listing of the regulations as well as a description of the implications for agritourism operators can be found in Appendix A.

The provincial government is responsible for the greatest number of regulations, followed by the municipal government and finally, with the lowest count, the federal government. The survey results may tell a different story, however, in terms of which level of regulations are the most onerous for the operators. The municipal-level regulations deal primarily with zoning and development considerations. The provincial level is broader, ranging from land use stipulations in the Agricultural Land Reserve to health concerns in the Health Act. Federally, the focus is predominantly on food safety, food standards, trade and packaging.

British Columbia is a unique province in that the Agricultural Land Reserve Act (ALR) designates a provincial zone in which agriculture has the priority use. The ALR comprises those lands within BC that have the potential for agricultural production, this amounts to 4.7 million hectares or 5% of the province. While the ALR secures that zoning to support farming and preserve farmlands is a matter of provincial importance, municipal government growth strategies, official community plans and bylaws are still maintained in ALR land.

The Agriculture Land Reserve is currently undergoing changes that will have an impact on the agritourism industry. On July 3, 2002, Order In Council No. 571 was approved which will bring into effect, the *Agricultural Land Reserve Use, Subdivision and Procedure Regulation* (B.C. Reg. 171/2002) on November 1, 2002. Under the

previous regulations, land owners would have to apply before being permitted to undertake certain activities on ALR land. Now more agritourism activities are explicitly permitted. By expanding certain permitted uses, the regulation expands diversification and economic opportunity for farmers in the ALR. The regulation also clarifies those permitted farm uses that a local government may regulate but not prohibit. Generally, the ALR regulations set the bar for what is permissible on a farm and then a municipal by-law will either follow suit or add further restrictions. The newly introduced changes are a step in the right direction to alleviate some of the present conflict between municipalities and farmers wishing to diversify.

Overview of Other Jurisdictions

Canada

Aside from the Agriculture Land Reserve, the regulatory environment in other Canadian provinces appears to be highly comparable to BC. Federal regulations are the same in all provinces; all have a Health Act, which takes precedence over every other act with the exception of a provincial Bill of Rights. Provincial highway regulations, liquor control acts, employment requirements and environmental legislation are fairly consistent. Municipalities of other provinces appear to have the same powers as those in BC, but there is some variance in terms of how many different municipalities exist in a province, each legislated the power to create their own zoning and licensing restrictions. All provinces with the exception of Prince Edward Island have also invoked some form of "right-to-farm" legislation. Despite similar laws and regulations in most provinces, Nova Scotia and Alberta have each taken steps to add clarity to the regulatory environment for agritourism operators in their provinces. On the other hand, Ontario with the most developed agritourism industry is reviewing the rigor of regulations.

Nova Scotia

- The government of Nova Scotia has gone through a major regulatory review and "red-tape reduction" process, which has affected all industries in the province.
- An online single-window access point was developed for citizens to gather information on every license and permit required in the province. For each permit/license, there is information on who needs it, which department issues it, where the permit/license can be obtained from, what the application process and waiting period is, expiry and renewal guidelines and a price listing.
- The greatest strength of this system is that municipal permits/licenses are also listed, so that it is truly a single-window access point.
- Someone interested in beginning a new business in Nova Scotia could conduct a search in the online database to find out exactly which regulations and permits relate to that business. The web-site for the permit directory is: http://www.gov.ns.ca/snsmr/paal/index.stm

Alberta

- The Alberta Ministry of Agriculture, Food and Rural Development (AMAFRD) has developed a factsheet listing regulations that apply to direct farm sales businesses

along with contact information relevant to each of the regulations. Within this document is a case study of a potential agritourism business and takes the reader through the process of deciding which regulations are applicable to this business. The resource is available from the ministry's web-site at: http://www.agric.gov.ab.ca/agdex/800/845-7.html

- AMAFRD has a policy of performing much of the "behind the scenes" resource development to educate operators and provide support to the emerging industry. The Ministry has developed other factsheets that are available at: http://www.agric.gov.ab.ca/economic/mgmt/diversification/index_agtour.html These resources include:
    - Agri-Tourism: Country Vacation Enterprise
    - Country Vacation Profit: profit planning tools in a start-up country vacation enterprise
    - Agritourism: Rural Festivals and Special Events
    - Providing Farm Tours

- Alberta is home to the Alberta Country Vacations Association, a self-regulating body with published guidelines and a web site for members and customers. Before granting membership, this organization inspects operations to ensure they comply with provincial and federal regulations.

Ontario

- Much of the regulatory debate surrounding agritourism in Ontario is occurring in relation to the Niagara Escarpment, a 725-km long stretch that passes through the most heavily developed region of Canada. This is also an area with a rich agricultural heritage.

- Twenty years ago, the escarpment was just another stretch of farmland in southern Ontario. Today, dotted among the area's wine estates and apple orchards are historic towns full of country inns, taverns and top restaurants. It attracts over 3.5 million visitors a year.

- The Niagara Escarpment Planning and Development Act established a planning process to ensure that the area would be protected for future generations. Seven land-use designations describe how land shall be used throughout the area of the Niagara Escarpment Plan.

- Despite the act, many believed that too much development has occurred in the past decades. In 2001, after extensive consultation with stakeholders, the Niagara Escarpment review committee recommended that:
    - The size of wineries in Niagara's wine region be capped at 15,000 square feet, instead of the previous 25,000 square feet restriction;
    - Full-service restaurants should be prohibited in the Escarpment countryside and instead be directed to local towns and hamlets;
    - High-impact tourism developments such as inns, hotels and resorts should be prohibited in the Escarpment countryside;

- Commercial billboards should be prohibited on country roads, so as not to negatively affect the Escarpment's famous scenic vistas

- These restrictions follow closely the development of Napa and Sonoma valleys' in California, whereby neighboring towns are encouraged to develop accommodations and restaurants to meet the tourism demand while the actual farms provide only tours and wine tasting or similar low-impact activities.

United States

Several states have begun introducing policies or legislation that apply specifically to the agritourism sector. While none of the examples offered below are necessarily recommendations for BC's industry development, they serve as informational examples of the regulatory initiatives undertaken in parts of the US to date.

California

- The California Agricultural Homestay Bill, (AB 1258), passed in July 1999, paved the way for more farmers and ranchers to offer tourists overnight visits. The bill exempts farms and ranching operations that offer overnight stays and limited food service from the more stringent requirements of operating a commercial restaurant. To qualify for overnight stays, the farms and ranches must produce agricultural products as their primary source of income. Additionally, farmers are limited to six guest rooms and 15 visitors a night - less than the amount allowed for a bed and breakfast operation.

Napa Valley

- Napa Valley Agricultural Preserve was created in 1968 to protect 23,000 acres along the Valley floor, and legally established agriculture as the predominant land use in Napa County. Napa Valley was the first region in the U.S. to institute such an ordinance, and the protection of the valley from non-agricultural development has been key to maintaining the land base and the environmental quality of this valuable wine region. Napa Valley continues to protect this resource, with over 30,000 acres in the Preserve and 85-87% of the valley's land designated for agricultural use - primarily wine grapes. Another control measure utilized has been to enlarge the minimum parcel of land from 20 acres to 40 acres.

- The Napa Valley General Plan (1990) includes some specific regulations governing wineries that are aimed at protecting the resource and limiting the ecological impact: Wineries are not permitted to have restaurants on-site, as they are not deemed to be appropriate uses at wineries, nor are they permitted accommodations on-site. However, some food service capabilities are permitted so as to cater to non-commercial events directed at the wine trade.

- Because of this measure, the towns in Napa Valley act as commercial centres for tourist accommodation and dining, and the wineries are not competing with the urban areas for this business. The communities in the region play an important role as traveler service centres and 'hubs' for visitor activity. The Napa Valley approach has been to cluster all accommodations, restaurants and retail outlets in strategic communities, and this has proven to be a very successful concept for winery tourism.

Massachusetts

- Legislation (M.G.L. CH 40A section 3) allows farmers with a minimum of 5 acres of farmland in production during the growing season to construct a roadside farm stand on their property regardless of town zoning. The majority of items sold at the stand must be raised on the property during the months of June, July, August, and September. Farmers who own less than 5 acres of farmland must work with their local town government if they wish to establish a roadside stand.

- The Agriculture Directional Signage Program (Ag-signage) allows for the placement of directional signs along state roadways for farms located off such roadways. Only operations with a majority of on-site grown products are eligible for the Ag-signage program.

Kentucky

- In 2001, the Kentucky Department of Agriculture released an Agritourism White Paper, which identified regulations as a developmental obstacle for agritourism in the state. The report stated:
    - It is not always clear which government agency is responsible for regulating the various components of the agri-tourism enterprise. For example, in regards to zoning, county planning officers or county executives need to be contacted for an official statement on the status of county zoning policies. The county health departments and the state department of agriculture must be contacted for waste-handling regulations. Other areas such as commercial kitchens, signage, sales taxes, etc. need to be explored and agencies responsible for regulating these areas need to be contacted for official statements regarding their regulatory policies.

- In the 2002 Kentucky State Legislative Session, Agritourism Legislation HB 654 was passed to establish an agri-tourism interagency position within the Kentucky Department of Agriculture and Tourism Development Cabinet to work directly with Farmers involved in agritourism.

North Carolina

- Senate Bill S 7. *An Act to provide for the posting of directional signs to agricultural marketing and processing facilities*. The bill now requires the Department of Agriculture and Consumer Services of North Carolina to provide directional signs on

major highways that promote tourism by providing tours and on-site sales or samples of NC agricultural products.

- To qualify for the signs, a facility must be open for business at least four days a week, ten months of the year. The bill requires the Department to assess the facility, and charge a reasonable cost for the sign and its installation.

Survey Development

In 2001, under a previous project, a comprehensive survey was conducted to identify and catalogue agritourism businesses in the province of British Columbia. Part of this original survey asked agritourism operators to identify challenges or constraints negatively affecting their business. A challenge that was consistently identified by those surveyed was the regulatory issue. Building from the previous survey, this project sought to identify those critical regulations that are impediments to the industry and to get a general sense of the time and cost to agri-tourism operators to comply with the regulations. In consultation with industry analysts and MAFF's statistics office, a questionnaire was designed with the hope of shedding more light on the regulatory environment for operators. Please see Appendix B for a sample of the survey.

A major consideration during the design phase of the survey questionnaire concerned the nature of the data sought by this survey. While a strictly quantitative survey is less subjective and more easily translated into conclusions that are telling of the larger population, this type of data is not as descriptive or revealing of the full story. Qualitative data, which allows case studies to emerge and an in-depth investigation of the whole issue, may be preferable given the smaller sample size and the complexity of the information being sought. Hoping to get the best of both worlds, the survey design includes both qualitative and quantitative questions. The operators were encouraged to provide as many comments as they wished as well as checking-off provided responses to each question.

The survey questionnaire itself had thirteen questions and was designed to take an operator approximately 30 minutes to fill out. Operators were given the choice of responding to the survey either on the telephone, in-person where feasible, or by fax and mail. The questionnaire format and flow of the survey was for operators to:

- Identify which regulations applied to their agritourism business, which were a challenge, and what the cost of compliance was for each;

- Identify who helped them to understand the regulations, how often they interacted with government about the regulations, and whether they understood the general logic behind the regulations;

- Compare the time and money spent on complying with regulations to other business activities, if they ever had to close their business for regulatory reasons and what effect this had on their business;

- State why they operate an agri-tourism business, identify what resources they would find useful to better understand the regulations and provide any additional comments or suggestions for government on the issue of regulations.

The questionnaire was field-tested with an operator and necessary adjustments were made before proceeding with surveying the rest of the population.

Survey Sample Selection

Due to time and resource constraints, not all agritourism businesses catalogued under the previous project were again survey participants for regulatory information. Rather, a sample of the larger population was selected. Tourism BC divides the province into six separate regions: Vancouver Island and the Gulf Islands, Vancouver Coast and Mountains, Cariboo-Chilcotin, Thompson – Okanagan, the Rockies, and Northern BC. Samples of three to five operators from each of the regions were surveyed. Given that municipal regulations represent over 30% of the total relevant regulations and given that over 154 municipalities and 27 regional districts exist across the province, not every issue or restraint is identifiable with such a small sample size. With a cross-section of the entire province however, it was anticipated that many of the major issues would surface despite the sample size. Survey participants, in part because of the geographical diversity and in part by design, have a wide range of agritourism businesses, which allowed more regulatory disparities to arise.

Data Collection Method and Field Procedures

The survey followed two separate collection methods, again due to time and resource constraints. In-person and on-site surveys were possible for those businesses in a close proximity to Victoria. Those businesses spanning the province and at too great of distance for car travel were performed by mail and/or over the telephone based on the operators preference. In both cases, print copies of the questionnaire were available to those surveyed so that they were able to follow along with the surveyor. Additionally, the operators being surveyed had the opportunity to provide comments on all of the questions.

Populations Not Surveyed

It is important to recognize that while this survey provides MAFF and the industry with information about agri-tourism operators, some data is unavoidably missing. Those surveyed, while expressing frustration and financial losses because of regulatory restrictions, are nonetheless still in operation. On the other hand, there is likely another group of agritourism operators or general farmers, who, possibly due to regulatory restrictions, are either no longer in business, were discouraged before beginning, or are operating less visibly and as a result were not surveyed. Having no knowledge of the opinions and experiences of this group places certain limitations on the scope of conclusions to be drawn.

Survey Results: Regulatory Challenges for Operators in BC

Survey Findings –Province-wide

The survey data aggregated for province-wide results is provided in Appendix C.

1. Key Regulatory Issues

While agritourism operations and regions in the province are different, some regulatory issues were consistently identified and seem to pose problems for operators regardless of their particular business and where they operate. For reporting purposes, the findings are grouped according to the listing of regulations found in Appendix A.

- **Land usage / Zoning** –

  Operators need approval in most cases from the Agriculture Land Reserve Commission (ALRC) and from municipal governments before proceeding with any new business on their property. This process often involves having to convince the municipality that the business will have minimal impact/infringement on community and tailoring the business to fit within ALR restrictions of a farm business. Despite this being the number one regulatory burden identified by operators none of them were able to estimate a cost associated with complying with land usage or zoning. According to the ALRC, however, the application fee for having one's land excluded from the ALR is currently $750. The application fee for subdivision or special case usage of the land ranges between $400 - $550.

- **Signage on Municipal Roads and Provincial Highways** –

  In many rural areas, provincial and municipal signs are crucial for advertising and directing visitors to the farm. The consensus among operators is that getting a sign either on a provincial highway or municipal road is nearly impossible. For those who were successful, the cost range was $20 - $50 for a municipal signage permit plus the cost of the sign. Under an agreement between the Ministry of Highways and MAFF, directional signs on provincial highways for approved farm markets are free of charge. The cost of not having a sign can mean the difference between customers coming to the farm or not.

- **Building Permits and the Building Code -**

  Operators claim it can take months before acquiring a building permit from a municipal government if they wish to delay it. These same sentiments are relayed for building code inspections: the municipal government can take as long or be as stringent as they want. Survey respondents gave a range of costs between $300 for the permit and $1500 for a deposit on the permit to municipal governments.

- **Sewage, sanitation and washroom requirements -**

  Under the Provincial Health Act, proper sewage and sanitation facilities are required when serving food to the public. Most people understand the logic behind such requirements but have difficulty with the cost of adding these to their business. This is particularly true for operators who, for example, may only be selling ice cream on the weekends during the summer months after providing a farm tour. The range for compliance costs was between $10,000 and $400,000.

- **Commercial Kitchen Requirements** –

  Another requirement of the Provincial Health Act when serving or manufacturing food items for public consumption that proves to be very costly for operators. Operators gave a range for the cost of the commercial kitchen equipment/building, etc. between $7,000 and $30,000.

- **Restrictions on Sales of Off-Farm Products -**

  Some operators expressed difficulty complying with the 50% farm goods regulations of the ALR governing what are permissible goods to be sold in a farm store. No specific cost information was provided by respondents, only the notion that sales suffered from having a limited product offering.

- **Water Sampling Requirements** –
  The provincial *Drinking Water Act* and the corresponding *Safe Drinking Water* regulations require that well water be tested regularly or as specified by federal guidelines. Currently, federal government issued guidelines requires water sample testing at a minimum of once per week for any well which supplies water to the public (and increasing frequency depending on the volume of water used). All agritourism operators who have well water are required to submit samples for water quality testing to an approved laboratory. Operators estimated a cost of between $30-$40 / week to comply with the required testing, most of the charge is for shipping and transportation costs to get the samples to a laboratory.

2. Communication and Understanding of Regulations

Survey respondents answered a series of questions about how they accessed regulatory information. The purpose of these questions was to gauge the general level of understanding agritourism operators have of the regulatory environment as well as to identify what types of resources operators would find useful to increase their regulatory understanding.

- **Frequency of Contact with Government Workers about Regulations -**
  Most operators were in frequent and regular contact with government officials about their agri-tourism businesses, the majority having spoken with a government worker within the last three months.

- **Valuable Contacts Who Explain the Regulations to Operators –**
  Operators listed a range of contacts that they had spoken to or who they do speak to on a regular basis to find out which regulations apply to their business. The most popular responses were members of a direct farm marketing organization; local farmers to share experiences; the Canadian Food Inspection Agency; provincial agriculture offices; and municipal contacts.

- **The Preferred Resources for Information on Regulations –**
  The overwhelming majority of respondents stated that their preferred method for gaining more information on regulations would be to have an individual contact with a working knowledge of the regulations. The second preferred resource was to have a printed guide to the regulations. Thirdly, is to be a member in an organization working to promote the industry and finally a guide to the regulations on the Internet or workshops/seminars were tied in fourth place.

- **Level of Government with the Greatest Impact on Agritourism –**
  There was consensus among operators that municipal governments had the most control over agritourism businesses. Provincial and regional government were identified as the next levels with significant amounts of impact/control and the federal government was seen as the least important in the grand scheme of regulations.

- **Regulatory Compliance versus Other Business Concerns –**
  Most operators stated they spent less time and money on the regulation side of their business than with other business pursuits like marketing or financing.

- **The "Fit" between Regulations and the Operation of an Agritourism Business –**
  The majority of respondents stated they believed there to be only a small degree of fit between the regulations with which they had to comply and the actual operation of their agritourism business.

3. Financial Issues

Overall, there was great difficulty in obtaining data on the cost of regulatory compliance from operators. Most were unwilling to provide specific financial information or wanted to focus more on the time component and level of frustration experienced trying to comply with regulations. The following provides some overall observations as to why financial data was so difficult to obtain from operators:

- Very few operators seem to be aware of or comply with all the applicable regulations;

- Many operators had difficulty separating out those costs incurred for the agri-tourism side of the business versus their general farm business;

- Some operators claim to have an idea of the investment that would be required if they were to comply fully with the regulations. They stated that this becomes a deterrent to compliance and they either operate illicitly or decide not to pursue that business option;

- Some operators claim not to know what the cost has been so far;
- Many operators have difficulty listing costs but know the time it took to understand and meet the relevant regulations;

- Some operators state that the costs were not great and therefore not worth listing, but that the time spent understanding the regulations that applied was onerous;

- Operators had a limited view of costs: for example, not listing lost sales during times of closure as part of the cost of regulatory compliance;

- Some operators have been in existence for decades and therefore the cost incurred at that time to meet regulations are no longer relevant/applicable;

- The enforcement of regulations and therefore the cost incurred because of the regulations varies significantly across the province depending on the municipal government or inspectors present in the area of the operation;

4. General Findings

Aside from these issues, the greatest numbers of complaints received were about the complexity, inconsistencies and irregularity of enforcement of the existing regulations and not the actual cost of regulatory compliance. Operators expressed discontent and frustration not necessarily because it was costing their business a great deal to comply, but because the regulations are seen to lack transparency, to change depending on which official is inspecting, and are being inconsistently enforced. The following is a sample of comments made by agri-tourism operators during the survey process:

- "There seems to be a divergence of opinion governing regulations, each person has their own idea of how it fits together or relates."

- "I don't even know which regulations apply to my business, I only find out more as I go along, I had no idea from the start."

- "Until such time as our present health inspector is no longer in this area, we will not expand our business any further. It is impossible to work with her."

- "I live in a rural area, there are no building permits or municipal permits required. Even the health inspector doesn't check what is going on."

- "I comply with all the health regulations, but my competitors don't. There is no enforcement. How can I compete?"

- "It is a constant game of jumping back and forth between regulations depending on which ones are better for my business at a certain time and with a certain inspector."

One element that became apparent throughout the survey process was that those operators that treat agri-tourism as a distinct business from their everyday farming activities seem to do better/have fewer complaints than those who fail to make a distinction or view them as inseparable activities. When an operator thinks of agri-tourism as a separate venture, they appear to be more willing to invest time and money into the business, to find out about the regulations before beginning, and to expend resources complying. As one operator put it, "It is just part of the process of being a business person. If I am serving food to people, I should have to follow the same rules as a restaurant in town."

Survey Findings – Regionally

The six tourism regions in the province vary somewhat in terms of their stage of agritourism development and the degree of issues that agritourism operators raised during the survey and therefore warrant consideration in turn. These regions can be thought of as belonging on a spectrum in terms of industry development issues. The Thompson-Okanagan, Vancouver Coast and Vancouver Island areas are the most densely populated with the largest number of operations and draw the greatest number of visitors. Accordingly, these regions have become the pioneers for the industry with issues having arisen there first.

A champion for agritourism development, the City of Chilliwack, located in the Vancouver Coast region, has integrated agritourism as part of its overall economic development strategy. The Chilliwack Agricultural Commission has worked closely with Tourism Chilliwack to define an agricultural development strategy which includes agritourism. Chilliwack intends to position itself as a center of excellence in agriculture.

It also plans to use its agricultural landscape, as well as its arts and cultural heritage to attract agritourists and other rural travelers to this region.

Further along the developmental spectrum, Cariboo-Chilcotin, the Rockies and finally the Northern region have less municipal guidance and confront regulatory clashes to lesser degrees. When conflicts do arise, it tends to be centered on provincial and federal regulations. Details on how each of the areas responded to particular survey questions can be found in Appendix D. The figures provided below relating to gross income, average age and scale of agritourism businesses throughout the province was collected in the 2001-2002 *Agritourism and Direct Farm Marketing Survey* conducted by the Ministry of Agriculture, Food and Fisheries.

Thompson-Okanagan

Due primarily to the wine and orchard industries, the level of variety and investment into agritourism is unparalleled in BC and in many areas of Canada. Thirty two percent of operations in the Thompson-Okanagan have a gross income of over $250,000 per year from agritourism activities. Survey results indicate that there are very few major regulatory problems in the area. Operators tend to make considerable investments into their agritourism business, keep on top of the regulations, and generally, have a more positive attitude towards the state of the industry. One operator expressed dissatisfaction with the regional health inspector, while the others indicated they had not experienced any significant regulatory challenges. Overall, operators appear content with the present state of the regulatory environment.

Vancouver & Coast Area

Almost half (49%) of the agri-tourism operations in this area were begun in the last five years and 42% have an annual gross revenue of between $10,000-$25,000 from agritourism activities. Operators in this region also relayed few regulatory problems. They were in constant or regular contact with government officials in order to keep abreast of regulatory issues. All but one respondent felt that regulatory compliance was less demanding than other business concerns and none of the operations had ever been shut down for regulatory reasons. One of the respondents, however, did express significant frustration with the regulations commenting that there existed a sense of powerlessness when dealing with government inspectors and officials. They said that

while devoting time and attention to other business pursuits like marketing provides noticeable returns to their business, dealing with the regulations side of the business did not produce comparable results, nor did they ever feel secure that future problems were avoidable.

Vancouver Island

Survey respondents had more varied experiences operating on Vancouver Island. Some operators had experienced little or no regulatory problems, some took issue with certain regulations and another felt as though they were always on the verge of being shut down. As the responses were quite varied, very few conclusions can be drawn from this survey group other than that the Vancouver Island agritourism sector appears to be at a crossroads along the industry development spectrum. The range of gross income brought in from agritourism operations in this part of the province is very broad. Fifty-five percent of operators on Vancouver Island reported that between 81-100% of their income was derived from agritourism activities (mostly direct farm sales). Forty five percent of operations on Vancouver Island have been offering agritourism activities for 6-14 years. Vancouver Island farms have a longer history in direct farm marketing.

Cariboo-Chilcotin

The majority (55%) of agritourism operators in this area have been in the industry for between 6 and 14 years and 39% of the operations bring in over $50,000 a year from agritourism activities. Those operating in the Cariboo-Chilcotin region of the province had few or minor problems with municipal regulations. Of the concerns raised, provincial and federal laws were at play. One operator stated extreme dissatisfaction with the regulations under the Agriculture Land Reserve Act, which stipulates the percentage of off-farm products that can be sold in a farm store. They felt that if they were to operate a home-based business in an urban setting there would be less severe regulations and as a result, the operator feels as though the ALR is a punitive restriction on their livelihood. The issue of provincial signage restrictions was also raised as problematic in that in such a rural setting, highway signs serve as a primary advertising mechanism. Other operators had trouble to a lesser degree mostly because there appeared to be less enforcement in some of the areas.

Rockies

The Rockies region is unique in terms of the number of operations that provide overnight accommodations to visitors, mainly as bed and breakfasts or guest ranches. This region is new to the agritourism industry with 41% of operators offering agritourism activities only in the last 5 years or less. The industry is divided between a large portion (31%) of operations that make under $10,000 gross revenue/year from agritourism activities and another 35% that make over $50,000 gross revenue/year from agritourism activities. The regulatory issues raised from survey respondents in this area were consistent with other areas in terms of health regulations for sewage, sanitation, washrooms and commercial kitchens. Particular concerns were in regards to the three bedroom limitation under the ALR for bed and breakfast accommodations and the application procedure for a guest ranch of larger than four bedrooms or in a separate building on ALR land. Enforcement in this region appeared to be somewhat inconsistent and was reflected in each respondent's experience with the regulations and government workers in general.

Northern BC

Northern BC is the least developed agritourism area in the province. Fifty-two percent of agritourism operators here have been in the industry for less than five years and 31% of operators make less than $10,000 gross revenue per year from agritourism activities. Operators here identified that there were no municipal regulations applicable to their businesses and the Agricultural Land Reserve restrictions did not present any challenges. The only areas seen as problematic were with the provincial Health Act (sewage, sanitation and washroom requirements and commercial kitchens), with employment requirements (minimum wage and workers compensation) and with federal labelling and packaging guidelines. Overall, the concerns appeared to be general business operator concerns and were not specifically tied to the agritourism business.

Best Practices & Recommendations

Best Practices and Lessons Learned from Other Jurisdictions

Based on the research undertaken of other jurisdictions, certain important developmental practices may be worth incorporating into the development of BC's agri-tourism industry. Following Nova Scotia's lead, BC has already begun the process of establishing a one-window access point for all permits, licenses and other business regulatory requirements. To date BC has developed an online business registration system (http://www.onestopbc.ca) and an online business start-up checklist (http://www.smallbusinessbc.ca/workshop/checklist.html). The strength of the Nova Scotia example, however, is that municipal requirements have also been included. As municipal zoning, signage and other by-laws have a significant effect on an agri-tourism operation; municipal involvement in such an initiative is critical.

A best practice taken from the Alberta government is to make available to existing and potential operators a variety of regulatory and business resources to aid their development. A published guide to the regulations provides transparency to both operators and municipal governments in terms of which regulations apply. MAFF in the past has developed a *Guide for Bylaw Development in Farming Areas* for municipal governments. Building off this initiative, the next step would be a *Guide to Regulations for Agritourism Operations in British Columbia*. Financial case studies/worksheets for various agri-tourism ventures (easily adapted from the Alberta ones) encourage potential operators to consider all the business issues (including the cost of regulatory compliance) and treat it as a separate venture from their everyday farming.

Another best practice occurring in Alberta is for parts of the industry to become self-regulating. The Alberta Country Vacations Association has established its own guidelines and accredits members to the organization after being inspected and found abiding to provincial and municipal regulatory requirements. Members then network and share best practices amongst themselves, cooperate with advertising and promotional needs, and add legitimacy to the overall rural accommodation industry. Like the Bed and Breakfast industry, this also requires less government oversight in the industry, as it becomes in the best interest of operators to abide.

As regions within BC vary along an agritourism developmental spectrum, other jurisdictions outside of BC also appear to be at different stages in their life cycle. The Niagara Escarpment region in Ontario serves as a forewarning of issues that may present themselves in BC during the later stages of agritourism development. The major lesson to be gained from the Niagara Escarpment, where the rural and urban interface is in conflict, is to communicate early and regularly with stakeholders like municipal governments/regional districts, farm operators, and the public at large The focus of discussions should be on identifying shared interests such as economic development and agricultural sustainability and actively guiding the development of the industry to prevent later conflicts.

Recommendations for the Industry

Recommendations for the agritourism industry are based on the experiences of the most successful operators surveyed and research undertaken of other jurisdictions. Before venturing into the agri-tourism industry, farmers should be aware of certain practices learned from other successful agritourism operators.

- **Plan for the Regulatory Requirements**
  Before beginning any new agritourism venture, find out what the regulations are, how much it will cost to comply with those regulations and the timeline necessary for obtaining permits, passing inspections and reaching full compliance.

- **Treat Agritourism as a Separate Business Venture**
  Those operators surveyed who seemed the most content with the regulatory environment also thought of and treated agritourism as a separate business requiring different skills, resources and attention than their everyday farm practices. In some cases, it may be necessary for potential operators to expand their business knowledge through training courses in certain areas.

- **Expect to Invest in Health and Safety Requirements**
  Successful operators are aware that in order to have a feasible and profitable agri-tourism business, they have to invest in health and safety requirements such as washrooms, sanitation systems or commercial kitchens.

- **Discover that Regulatory Compliance Can Be Good For Business**
  Many operators, in the Okanagan and Vancouver area in particular, claim that meeting all the standards is a way of differentiating themselves from other lower-scale operations and therefore is good for business. Further, complying fully and

early on with the regulations can mean less business interruption and cost incurrence later once the business is underway.

- **Form a Self-Regulating Industry Association**
  Leaders in the agritourism industry in other jurisdictions like Alberta have come together to form industry associations, which has proven to be a successful initiative. The Alberta Country Vacations Association (and others like the Ontario Country Vacations Association) has developed its own standards and codes of conduct to govern members of the organization. These associations have promoted compliance with provincial and federal regulations, even to the point of requiring this as a pre-requisite to membership. By forming a self-regulating, collective organization, members can also work together to foster positive relationships with municipal and other government agencies. The overall effect of a self-regulating organization is to add external legitimacy and create trust with stakeholders like municipal governments and the public at large. MAFF has already begun the process for the industry in this regard through the Agri-Food Futures Fund, which has earmarked funds towards the development of such an organization.

- **Develop Strategic Partnerships**
  Either individually or collectively, agritourism operators should form strategic partnerships with municipalities and communities to assist with regulatory requirements and prevent later conflicts relating to urban/rural interface. For example, an agritourism association in partnership with a community could develop shared commercial kitchens, washroom and other sanitation facilities, or could work together to create a promotional signage program.

Recommendations for MAFF

Survey findings indicate that there are clear regulatory areas that most operators, regardless of regional location or particular business activities consider hindrances to development. These are the overarching regulatory issues like municipal-provincial jurisdiction, ALR restrictions, and transparency of regulations that have been discussed throughout this report. Research of other jurisdictions revealed that British Columbia is unique in terms of the Agriculture Land Reserve and consequently may be experiencing more regulatory conflict than is the case in other provinces. The new regulations for the ALR that are effective as of November 1, 2002 will begin to address some of the confusion between municipal-provincial regulatory jurisdiction. The following recommendations are steps that MAFF can take both in the short and long term to resolve the regulatory conflicts and promote the overall health of the agritourism industry.

- **Continue to Support Provincial Standards for Farm Land Usage**

The Right to Farm Act and upcoming changes to the ALR regulations set a provincial standard for what is permissible on farmland. These are positive steps towards providing a clearer division of regulatory power between provincial and municipal governments. MAFF should further ensure that activities designated as farm use are protected and may be regulated but not be prohibited by any local government bylaw expect a bylaw under section 917 of the Local Government Act.

- **Provide Regulatory Transparency & Other Resources**
  As mentioned earlier, MAFF can also work towards increased transparency by developing a guide for operators to gain greater understanding of which regulations apply to the agritourism sector. Municipalities should of course be included in this guide. Additionally, based on survey findings of what resources the industry stated they would prefer to have, MAFF may want to consider devoting an employee who can act as an access point for regulatory information to operators. This position could be on a temporary basis until an industry organization is further developed and is able to take on the role itself. Supplementary duties for this employee could be as a mediator between municipal and regional districts and agritourism operators as issues arise.

- **Foster Municipal Government Buy-In**
  The City of Chilliwack is a rare example of a municipal government that recognizes the economic potential of the agritourism industry. Through the development of educational resources, awareness publications or tool kits for municipalities, municipal governments will begin to recognize how the promotion of agritourism can become a win-win situation for their community as well.

Conclusion

British Columbia is at a crossroad along the agritourism developmental spectrum. Some provinces like Nova Scotia and Alberta, in the hopes of actualizing the economic potential of this emerging industry, have taken steps to improve the transparency and informational ease of regulations for agritourism operators. At the other extreme, areas where the agritourism industry has flourished, the Niagara Escarpment in Ontario and Napa Valley in California, have moved towards fine tuning and increasing the rigor of regulations in order to keep agricultural beauty and heritage as the main focus of agritourism. In undertaking policy and regulatory changes as described in the preceding recommendations section, British Columbia should strive to maximize the economic benefits of this emerging industry while preventing through awareness and foresight the conflicts that arise with an urban-rural interface.

Appendix A

Laws & Regulations of Impact on the Agri-tourism Industry

Municipal

1. Official Community Plans

An Official Community Plan (OCP) is a long-term strategy that guides a municipality's land use, development and servicing plans and serves as a source from which future by-laws are constructed. OCPs continue to play a significant part in land use planning for agriculture. Depending on the OCP for a particular area, farmers may have to apply for an amendment to the plan in order to have agritourism activities on their farmland.

2. Zoning By-laws

These bylaws divide the municipality into zones and establish regulations for each zone. The zones and regulations will be different for every municipality. Typically land use regulations dictate permitted property uses and building density, size and siting requirements. Often lot coverage, frontage and area regulations are also imposed. For municipally zoned agricultural land that is also in the ALR, these regulations are imposed on top of ALR land use regulations.

3. Building By-laws and Permits

Building by-laws ensure compliance with the BC Building Code and with zoning regulations. Frequently permits are required prior to construction and often a fee is charged. Building permits are usually required for the following types of construction work:

- To build any residential, commercial, institutional or industrial building
- To build an accessory structure larger than 10 square meters total area
- To make renovations, structural changes or major repairs to an existing building
- To construct or alter a swimming pool
- To complete an unfinished area in an existing building
- To install any awning or canopy
- To demolish or move a building
- To extend or change any plumbing
- To move or place a mobile home or other temporary structure
- To build or install any wood-burning appliance or chimney

4. Development Cost Charges

Development Cost Charges (DCCs) are monies collected by some municipalities to offset infrastructure expenditures incurred with growth. They are payable by parties obtaining a building permit and can be charged if the structure you are proposing requires the local government to provide, construct, alter or expand facilities related to highways, sewage, water or drainage. Presently the implementation of DCC bylaws varies greatly between municipalities. In an effort to standardize the practices for municipal formulation and

administration of DCC bylaws, the Ministry of Municipal Affairs published a Best Practice Guide in October 2000.

5. Signage on municipal roads

For farms located on municipal roads, local by-laws dictate the signage regulation. This will differ for each municipality and within each municipality, depending on zoning requirements.

6. Road access

Farms located on municipal roads must comply with municipal road access regulations, which again will differ for each municipality. It is necessary to gain road access approval in order to obtain a building permit.

7. Parking

Parking also falls under the municipality's jurisdiction and is usually addressed in zoning and land use bylaws.

8. Business licenses

Most municipalities require a business to obtain a business license. It is necessary to contact your local government office and determine what, if any, type of license is required for the kind of business you propose.

9. Noise by-laws

Municipal by-laws that regulate or prohibit the making or causing of noises or sounds in or on a highway or elsewhere in the municipality which disturb, or tend to disturb, the quiet, peace, rest, enjoyment, comfort, or convenience of the neighborhood, or of persons in the vicinity. Municipalities may make different regulations or prohibitions for different areas of the municipality.

10. Environmental (drainage, water coverage, etc.)

Approving officers and municipalities may require applicants to conduct studies to assess the potential environmental impacts of a development, and to outline mitigation measures. Environmental impact assessments are often used as part of the development application process.

Provincial

11. Agricultural Land Reserve Act (ALRA)

Provides the legislative structure that protects and monitors the use of agricultural land and minimizes the loss of land to urban development. The Agriculture Land Reserve Act secures that zoning, to support farming and preserve farmlands, is a matter of provincial importance. Nonetheless, municipal government's growth strategies, official community plans and bylaws are still maintained in ALR land. Four regulations within the ALRA

directly relate to agritourism: Farm Retail Sales; Bed and Breakfast Use; Agri-Tourist Accommodation; and, Wineries and Cideries.

12. Farm Retail Sales in the Agriculture Land Reserve (ALR Act)

This regulation was established to encourage the productive use of farmland by allowing for retail activity associated with direct farm marketing of farm products and some off-farm products without the approval of the ALR Commission. However, the order sets restrictions pertaining to off-farm products, which must be sold concurrently with farm products in an area not exceeding one third of the total space used for sales or 100 square meters, whichever is less. Restrictions also ensure retail sales are ancillary to farm use and do not hinder or prevent farm productivity. This general order does not relieve the farm retail business from complying with all other government agencies and local regulations such as local health, building, and zoning bylaws. The regulation does not supercede local by-laws governing farm retailing unless the local regulations are more permissive then the standards set by this policy, in which case it will over-ride the local by-laws. If a farm wishes to retail beyond the limits set by this policy, it is necessary for them to go through an application process to receive the ALR Commission's approval. The application is made through the local government to the Commission and includes a fee collected by the municipality. Applications are reviewed on an individual basis and judged by their own merits.

13. Bed and Breakfast Use in the Agricultural Land Reserve (ALR Act)

This general order permits bed and breakfast accommodation on ALR land under specific conditions without application to the Commission. The bed and breakfast use is restricted to one establishment per legal parcel, it must be completely contained within the dwelling the farm owner occupies, and it cannot not exceed a maximum of three bedrooms. Farmers wishing to provide accommodation beyond these limits must apply to the Commission under the Agri-Tourist Accommodation in ALR General Order.

14. Agri-Tourist Accommodation in the Agricultural Land Reserve (ALR Act)

This regulation provides guidelines for establishing agritourism accommodations on ALR land. It specifies the application procedure to the Land Commission for farms considering bed and breakfasts of four rooms or larger, guest ranches, farm inns and campsites. The guidelines clearly emphasizes the need for the farm to be a bona fide agricultural operation and for the agritourism accommodation to be both compatible with, and of low impact to, the primary farming operations and the rural character of the area. An application fee of $550.00 is required to be submitted directly to the local government.

********Changes to the ALR:***
As of November 1, 2002, new regulations under the ALR come into effect relevant to the agri-tourism industry. The new regulations now explicitly recognize agritourism as a permitted use on farmland. These agritourism activities will be permitted after November 1, 2002 in the ALR without application:

- The following activities are designated as *farm use* for the purposes of the Act and may be regulated but must not be prohibited by any local government bylaw except a bylaw under section 917 of the *Local Government Act*:
    - (a) farm retail sales if
        - (i) processing, storage and retail sales;
        - (ii) at least 50% of the retail sales area is limited to the sale of farm products produced on the farm on which the retail sales are taking place and the total area, both indoors and outdoors, used for the retail sales of all products does not exceed 300 m^2;
    - (b) a British Columbia licensed winery or cidery, and an ancillary use, if the wine or cider produced and offered for sale is made from farm product and
        - (i) at least 50% of that farm product is grown on the farm on which the winery or cidery is located, or
        - (ii) the farm that grows the farm products used to produce wine or cider is more than 2 ha in area, and, unless otherwise authorized by the commission, at least 50% of the total farm product for processing is provided under a minimum 3 year contract from a farm in British Columbia;
    - (c) agri-tourism activities, other than accommodation, on land that is classified as a farm under the *Assessment Act*, if the use is temporary and seasonal, and promotes or markets farm products grown, raised or processed on the farm;

- The following land uses are permitted in an agricultural land reserve unless otherwise prohibited by a local government bylaw:
    - (a) accommodation for agri-tourism on a farm if
        - (i) all or part of the parcel on which the accommodation is located is classified as a farm under the *Assessment Act*,
        - (ii) the accommodation is limited to 10 sleeping units in total of seasonal campsites, seasonal cabins or short term use of bedrooms including bed and breakfast bedrooms under paragraph (d), and
        - (iii) the total developed area for buildings, landscaping and access for the accommodation is less than 5% of the parcel;
    - (b) bed and breakfast use of not more than 4 bedrooms for short term tourist accommodation or such other number of bedrooms as specified in a local government bylaw for the area in which the parcel is located;

15. BC Building Code

These are regulations that pertain to most types of construction, renovations, installations and structural changes to new or existing buildings. The regulations are developed and maintained by the Building Policy Branch of the Ministry of Community, Aboriginal and Women's Services and enforced by municipalities and regional districts.

16. Health Act

This is a comprehensive Act, which establishes a framework and provides authority to prevent and remove health hazards. There are three regulatory sections in particular that apply to the agritourism industry, Safe Drinking Water Regulations, Food Premises Regulations and Sewage Disposal Regulations.

17. Safe Drinking Water Regulations (Health Act)

Guidelines for those who are supplying water to the public including obligations to monitor water potability by having water samples tested regularly and to notify the medical health officer of any situation or condition which renders or could render the water unfit to drink. Provincial regulations do not stipulate a frequency for water testing, however federal guidelines require that a minimum of weekly water samples be submitted to an approved laboratory for testing.

17. Food Premises Regulations (Health Act)

Applies to all food premises other than: bed and breakfast establishments operated in a private residence, premises that are governed by the *Milk Industry Act*, the *Meat Inspection Act* or the *Fish Inspection Act,* and premises in which only the following food is sold or offered for sale is whole fresh fruits or vegetables or pre-packaged, non-potentially hazardous food. States the need for a food operating permit, washroom facilities for patrons, and food safe training.

18. Sewage Disposal Regulations (Health Act)

Outlines the requirements for septic systems including specifications for tanks, disposal procedures, necessary permits, inspections, capacity requirements and so forth.

19. Signage approval on highways (Highway Act)

It is necessary for farms located on provincial highways to obtain approval and permits before displaying signs or obtaining access. A regional director of highways or a regional approving officer of the Ministry of Transportation and Highways is authorized to issue the permits.

20. Business name registration (BC Company Registrar)

If you choose to operate your business under a name other then your own you must register it. If you run your business as a proprietorship in your own name without adding any other words it is not necessary to register it. *The One Stop Business Registration System* through the Ministry of Small Business, Tourism and Culture, is an efficient and easy way of completing the necessary forms in one place at one time.

21. Liquor Control Licensing (Liquor Control Act)

This Act establishes the Liquor Control and Licensing Branch and outlines its responsibilities. These include licensing breweries, distilleries, and wineries, inspection of licensed premises and specific regulations covering license types, fees, and terms and

conditions, such as hours of operation, employee's and customer's age, food sales, off sales, etc. The Liquor Control and Licensing Branch is also responsible for Special Occasion Licenses which are outlined below.

22. Special Occasion Licensing (Liquor Control Act)

Temporary, event-only liquor licenses may be granted to special events held over a short duration. It is necessary to obtain a Special Occasion License if liquor is to be resold in a public or private setting or served/consumed in a public place. Application forms can be obtained from any BC Liquor Store. A completed application must then be submitted and approved by the local police holding jurisdiction over the location of the event. In addition, the person to whom the Special Occasion License is issued must complete the Serving It Right training program which costs $48.00.

23. Employee minimum wage & working conditions (Employment Standards Act)

The purpose of this Act is to ensure employers comply with the province's minimum wage standards and working conditions and to promote fair treatment of employees and employers. A summary guide to the Employment Standards Act is available at: http://www.labour.gov.bc.ca/esb/intro.htm

24. Workers compensation, disability & rehabilitation (Workers Compensation Act)

The Workers' Compensation Board is responsible for administering this Act. The Act provides wage loss compensation, disability pensions and rehabilitation services to workers afflicted with job-related injuries or occupational diseases. Under the Occupation Health and Safety Regulation, regulatory requirements for workplaces are set up and health and safety practices are monitored. The regulation identifies specific requirements for agriculture. Copies of the Regulation are available from Workers Compensation Board.

25. Agri-food product standards certification (Agri-Food Choice & Quality Act)

The purpose of the Agri-Food Choice and Quality Act, is to allow those engaged in the food or agricultural industry to obtain certification recognizing that the products they produce or the practices they adhere to in the producing or selling of those products, meets certain prescribed standards. The certificate permits them to advertise their products as having been approved and having met the specific prescribed standards. An example is the Certified Organic regulations.

26. Manufacturing standards for BC wines (Wine Act)

The purpose of this Act is to establish the British Columbia Wine Institute, which in turn develops standards for wines manufactured from BC grown grapes.

27. Environmental review of building projects (Environmental Assessment Act)

The Environmental Assessment Act requires that proposed projects, of a prescribed type, size, scope or location, must be submitted for environmental assessment. Decisions to

approve or reject the proposal are made jointly by the Minister of Environment, Land and Parks and the Responsible Minister (the Minister normally associated with the line ministry considered to have the most technical expertise with the proposed project sector). The environmental impact of proposed construction projects is assessed by this act. Farms along streams and rivers will be affected by this act.

28. Right to Farm Act (Farm Practices Protection Act)

The Act applies to farms operating in the Agricultural Land Reserve and in other areas where farming is permitted. It protects farms from nuisance actions, court injunctions and specific municipal by-laws relating to the operation of the farm, providing that the farmer is operating under "normal farm practices." A normal farm practice is defined in the act to include an activity..."that is conducted by a farm business in a manner consistent with the proper and accepted customs and standards as established and followed by similar farm businesses under similar circumstances."

The act also establishes a Farm Practices Board to provide "a fair and equitable process for resolving farm practice disputes out of court." The Board consists of up to 10 members appointed by the Ministry of Agriculture Food and Fisheries and additional individuals from the British Columbia Marketing Board (currently 6 members). When a complaint is made to the Farm Practices Board, the board has the authority to determine whether the farmer is using "normal farm practices' in relation to that specific farm and location.

The Farm Practices Protection Act also made changes to the former Municipal Act (current Local Government Act) that encourage local governments to support farming by ensuring local by-laws and regulations reflect provincial standards for agriculture.

29. Local Government Act

While primary responsibility for the administration of this Act lies with the Ministry of Municipal Affairs, the provisions dealing with farm bylaws (sections 916 - 919) are the administrative responsibility of the Ministry of Agriculture, Food and Fisheries. This Act allows for the setting of provincial by-law standards, which are consistently supportive of farming, and encourages local governments to use these provincial codes of practice in lieu of local by-laws. It directs local government by-laws affecting farming be reviewed, and meet the approval of the Ministry of Agriculture, Food and Fisheries. It also requires that local by-laws are consistent with the ALR. The Act encourages the inclusion of policies to encourage and enhance farming in Official Community Plans, and enables local governments to designate development permit areas to protect farming, such as buffer zones between farms and urban areas.

Federal

30. Business Number Accounts (Employment Insurance & Canada Pension Plan)

It is necessary to register with Canada Customs and Revenue Agency to obtain a business number is the business is hiring employees. This number is necessary in order to submit

mandatory employee tax deduction, Employment Insurance premiums and Canada Pension Plan contributions. Registration can be completed through the One Stop Business Registration System as explained above.

31. Food labelling & packaging (Consumer Packaging and Labelling Act)

All products that are pre-packaged and sold off-farm must be labelled according to federal regulations under the Consumer Packaging and Labelling Act. What must be included on the label depends on the type of food and the marketing channel used. Labelling of all food products must include the following information:

- The name of your product
- The net quantity
- Your name and address
- List of ingredients (in descending order of amounts)
- Durable life date (if shelf life is 90 days or less)
- Storage instructions (if required)
- Bilingual language (unless exempt)

32. Weights & measures inspection of goods sold (Weights & Measures Act)

Under the Weights and Measures Act, Industry Canada is responsible for the inspection and approval of all scales used in commercial transactions. The cost of the first inspection and the cost of any requested inspection thereafter, is the responsibility of the business operator. However, Industry Canada also makes periodic, unrequested inspections to ensure that regulations are being followed.

33. Export or inter-provincial trade of goods (Agriculture Products Act)

This Act elevates provincial marketing boards' authority to the federal level, allowing them regulate interprovincial and export trade as they do trade within the province in matters such as marketing, handling, pricing information and appointment of shippers. Boards may also be given the authority to charge levies on goods being exported or moving interprovincially. This authority is granted as a result of provincial request.

34. Imported, exported or inter-provincial trade of meats (Meat Inspection Act)

The federal Meat Inspection Act is primarily concerned with meat products being imported, exported or traded interprovincially and with the registration and inspection of the involved establishments.

Regional

35. Health inspection of food establishments & operating permits (Health Act)

Regional boards of health and Environmental Health Officers are responsible for inspection and enforcement of the requirements set by the Health Act. All food establishments are required to have operating permits except for ones that sell only pre-packaged, non-perishable food or whole fresh fruits and vegetables. It is necessary to apply to an Environmental Health Officer at a Regional Health District office to obtain an

operating permit. The permit requires the operator of the food establishment comply with Food Premises Regulations and the Health Act. Regional Environmental Health officers have the authority to cancel operating permits and close businesses immediately if the operator fails to obey the Health Act.

Appendix B

The Impact of Regulations on Agri-tourism Operations in British Columbia
- Survey -

The Ministry of Agriculture, Food and Fisheries is contacting local farms, ranches, wineries, and rural B&B's with the following survey in order to gain a greater understanding of the impact of the current regulatory process on the agri-tourism industry's competitiveness.

The goal in conducting this survey is to determine and assess the time and costs required by operators to comply with existing legislation and regulation at all levels of government.

The information we are collecting in this survey will be used to benefit business owners by:

1. Helping the Ministry of Agriculture, Food and Fisheries to identify the particular challenges and obstacles that current regulations place on agri-tourism operators.

2. Assisting the Ministry of Agriculture, Food and Fisheries to pinpoint which level of government has the greatest impact on agri-tourism operators in the province.

3. Providing the Ministry of Agriculture, Food and Fisheries with the information needed to continue to review the regulatory process in the hopes of easing the burden on operators.

4. Assisting the Ministry of Agriculture, Food and Fisheries to develop strategies for the overall promotion of the agri-tourism industry.

If you have any questions regarding this survey or the use of this information, please direct your inquiries to Melanie Albas, Ministry of Agriculture, Food and Fisheries, by telephone at **(250) 356-7445** or by e-mail at Melanie.Albas@gems8.gov.bc.ca.

This is a project of the Ministry of Agriculture, Food and Fisheries, and as is policy, the information you supply will be held in the strictest confidence and will be aggregated with those of others in the same industry to produce an industry total. There will be no disclosure whatsoever of individual data without your authorized consent.

Ministry of Agriculture, Food and Fisheries

Melanie Albas
4th Flr., 808 Douglas
Victoria, BC V8W 2Z7

Tel: (250) 356-7445
http://www.gov.bc.ca/agf
Melanie.Albas@gems8.gov.bc.ca

1. Please judge on the 5-point scale to what degree the following regulations are or were challenges to the operation and growth of your agri-tourism business. Mark N/A if the regulation is not applicable to your agri-tourism business.

		1= No challenge 2 = Minor challenge 3 = Moderate challenge 4 = Major challenge 5 = Severe challenge N/A = Not Applicable	Choose number from 1- 5 or mark N/A
Municipal By-laws & Regulations	- Official community plan amendments		
	- Zoning by-laws		
	- Building permits		
	- Development permits		
	- Signage on municipal roads		
	- Road access		
	- Parking		
	- Business licenses		
	- Noise by-laws		
	- Environmental (drainage, water coverage, etc.)		
Provincial Laws & Regulations	- Restrictions on % sales from off-farm products (Agriculture Land Reserve)		
	- Wineries & Cideries – 50% farm grown rule (Agriculture Land Reserve)		
	- Bed & Breakfast restriction to 3 rooms (Agriculture Land Reserve)		
	- Tourist Accommodation 4+ rooms (Agriculture Land Reserve)		
	- Construction, renovation or structural buildings (BC Building Code)		
	- Food Premises Regulations i.e. FOODSAFE certificate (Health Act)		
	- Sewage, Sanitation, Washroom requirements for food service (Health Act)		
	- Meat, Milk, Produce & other food inspection (Health Act)		
	- Commercial kitchen requirements (Health Act)		
	- Signage approval on highways (Highway Act)		
	- Business name registration (BC Company Registrar)		
	- Liquor Control Licensing & Special Occasion Licensing (Liquor Control Act)		
	- Employee minimum wage & working conditions (Employment Standards Act)		
	- Workers compensation, disability & rehabilitation (Workers Compensation Act)		
	- Agri-food product standards certification (Agri-Food Choice & Quality Act)		
	- Manufacturing standards for BC wines (Wine Act)		
	- Environmental review of building projects (Environmental Assessment Act)		
Federal Laws & Regulations	- Business Number Accounts (Employment Insurance & Canada Pension Plan)		
	- Food labelling & packaging (Consumer Packaging and Labelling Act)		
	- Weights & measures inspection of goods sold (Weights & Measures Act)		
	- Export or inter-provincial trade of goods (Agriculture Products Act)		
	- Imported, exported or inter-provincial trade of meats (Meat Inspection Act)		
Regional	- Health inspection of food establishments & operating permits (Health Act)		
Other	-		
	-		
	-		
	-		

2. Estimate the cost of complying with the regulations that are applicable to your agri-tourism business. When were the costs incurred?

		Direct Costs	Time (days)	Staff time (person days)	Year when cost incurred
Municipal By-laws & Regulations	- Official community plan amendments				
	- Zoning by-laws				
	- Building permits				
	- Development permits				
	- Signage on municipal roads				
	- Road access				
	- Parking				
	- Business licenses				
	- Noise by-laws				
	- Environmental				
Provincial Laws & Regulations	- Restrictions on % sales from off-farm				
	- Wineries & Cideries – 50% farm grown rule				
	- Bed & Breakfast restriction to 3 rooms				
	- Tourist Accommodation 4+ rooms				
	- Construction, renovation or structural buildings				
	- Food Premises Regulations i.e. FOODSAFE certificate				
	- Sewage, Sanitation, Washroom requirements for food service				
	- Meat, Milk, Produce & other food inspection				
	- Commercial kitchen requirements				
	- Signage approval on highways				
	- Business name registration				
	- Liquor Control Licensing & Special Occasion Licensing				
	- Employee minimum wage & working conditions				
	- Workers compensation, disability & rehabilitation				
	- Agri-food product standards certification				
	- Manufacturing standards for BC wines				
	- Environmental review of building projects				
Federal Laws & Regulations	- Business Number Accounts				
	- Food labelling & packaging				
	- Weights & measures inspection of goods sold				
	- Export or inter-provincial trade of goods				
	- Imported, exported or inter-provincial trade of meats				
Regional	- Health inspection of food establishments & operating permits				
Other	-				
	-				
	-				

Please expand below on the regulations that were the most challenging for your agri-tourism business:

Regulation: _____

_____

Issue: _____

Resources Expended: _____

Solution / Assistance provided by: _____

- **Regulation:** _____

Issue: _____

Resources Expended: _____

Solution / Assistance provided by: _____

- **Regulation:** _____

Issue: _____

_____

_____

Resources Expended: _____

_____

_____

Solution / Assistance provided by: _____

_____

_____

---

3. What individual(s) and/or organization(s) have helped you to better understand and meet government regulations in your agri-tourism business? (Please specify)

Agricultural Association: _____

Food/Agriculture Advocacy Group: _____

Commodity Group: _____

Direct Farm Marketing Organization: _____

Tourism & Accommodation Group: _____

Farmers Market: _____

Non-farm (ex. Chamber of Commerce, Rotary): _____

Municipal Government: _____

Provincial Government: _____

Federal Government: _____

Individual: _____

Lawyer: _____

Consultant: _____

Other: _____

4. When did you last interact with government workers concerning regulations affecting your agri-tourism business?

Month/Year_____

Comments: _____

_____

_____

5. To what degree have government workers given you clear and consistent explanations of the regulations that apply to your agri-tourism business? (circle on the scale below) Where possible, cite specific examples.

Explanation(s):

Unclear		**Somewhat clear**		**Very clear**
1	**2**	**3**	**4**	**5**

Inconsistent		**Somewhat consistent**		**Very consistent**
1	**2**	**3**	**4**	**5**

Examples: _____

_____

_____

6. Do you think there is a match or "good fit" between the regulations that apply to agri-tourism and the actual operation of your agri-tourism business? (circle below) Provide examples where possible.

No Match		**Somewhat Matched**		**Well Matched**
1	**2**	**3**	**4**	**5**

Examples: _____

_____

_____

7. To what degree does each level of government have an impact on the laws and regulations that affect your agri-tourism business? (circle for each)

	No Impact		**Some Impact**		**High Impact**
Municipal Government	**1**	**2**	**3**	**4**	**5**

Provincial Government	1	2	3	4	5
Regional Government	1	2	3	4	5
Federal Government	1	2	3	4	5

8. When comparing the time and money spent complying with government regulations, to the time and money spent in other parts of your agri-tourism business like marketing & financing, is regulatory compliance (circle):

Less demanding **Equally demanding** **More demanding**
1 **2** **3** **4** **5**

Comments: _____

_____

_____

9. Have you ever stopped (temporarily or otherwise) operating your agri-tourism business or parts of your agri-tourism business for regulatory reasons?

	Yes	**No**	**Length of time of closure**
Stopped operating whole business			
Stopped operating part of business			

10. If yes, please specify the reason(s) for the interruption and estimate the cost effect this closure had on your business:

Reason(s)	**Direct Costs (New permits, fees, etc.)**	**Lost Sales During Closure**	**Staff time (person days)**

11. Which of the following resources would you find useful to better understand and meet government regulations that affect your agri-tourism business?

_____Individual contact who has practical, working knowledge of regulations

_____Workshops / Seminars on legal considerations, regulation & insurance

_____Guide to laws & regulations affecting (in print)

_____Guide to laws & regulations available on the Internet

_____Membership in an organization that works to promote agri-tourism in BC

Other _____

12. Which of the following statements best describes your reason(s) for operating an agri-tourism business?

_____To increase profitability of my existing farm business

_____ I enjoy working with others / hosting / interacting with public

_____ I want to teach others about farm heritage, farming, or a specific product

_____ To provide employment for my family members

_____ To make use of idle space / resources / equipment

Other reasons: _____

_____

13. Do you have any suggestions for how government could make it easier for you to comply with regulations in your agri-tourism business?

_____

_____

_____

_____

_____

_____

Thank you for your time and participation in this survey

Appendix C

Aggregated Survey Results

1. Regulations ranked on a 5-point scale (1 = no challenge and 5=severe challenge)

Regulation	*Average Ranking*
Official community plan amendments	0.61
Zoning by-laws	1.22
Building permits	1.52
Development permits	0.22
Signage on municipal roads	1.39
Road access	0.74
Parking	0.57
Business licenses	0.74
Noise by-laws	0.96
Environmental	0.74
Restrictions on % sales from off farm products	1.09
Wineries & Cideries – 50% farm grown rule	0.17
Bed & Breakfast restriction to 3 rooms	0.43
Tourist Accommodation 4+ rooms	0.48
Construction, renovation or structural buildings	1.13
Food Premises Regulations i.e. FOODSAFE certificate	1.39
Sewage, Sanitation, Washroom requirements for food service	1.91
Meat, Milk, Produce & other food inspection	1.35
Commercial kitchen requirements	1.52
Signage approval on highways	1.83
Business name registration	0.48
Liquor Control Licensing & Special Occasion Licensing	0.52
Employee minimum wage & working conditions	1.22
Workers compensation, disability & rehabilitation	1.70
Agri-food product standards certification	0.65
Manufacturing standards for BC wines	0.13
Environmental review of building projects	0.30
Business Number Accounts	0.74
Food labelling & packaging	1.22
Weights & measures inspection of goods sold	0.91
Export or inter provincial trade of goods	0.57
Imported, exported or inter-provincial trade of meats	0.57
Health inspection of food establishments & operating permits	1.43

2. Cost of Compliance

- Range $50 - $400,000
- Avg. $51,972

3. Major Regulatory Challenges

- Zoning
- Sewage, sanitation, washroom requirements
- Building permits
- Signage on municipal roads and provincial highways
- Commercial kitchens
- Meat, Milk, Produce & other food inspection
- Food premise regulations ex. FOODSAFE certificate

4. Useful Contacts for Understanding the Regulations

- answers were highly varied, see responses for each of the regions

5. Frequency of Interaction with Government Workers

- 83% had spoken with a government worker in the last four months or less
- 13% had spoken with a government worker in the last two years
- 4% had last spoken with a government worker in the last four years

6. Regulatory Information
(Ranking 1-5, 1=Unclear/Inconsistent, 5=Very Clear/Very Consistent)

a) Clarity – Avg. 3.43 , Range 1-5
b) Consistency – Avg. 3.75 , Range 1-5

7. Degree of fit between regulations and agri-tourism business
(Ranking 1-5, 1= No Match, 5=Well Matched)

- Avg. 2.83 , Range 1-5

8. Government Control (Ranking 1-5, 1= No Impact, 5= High Impact)

4. Municipal – Avg. 2.74, Range 1-5
5. Provincial – Avg. 3.30, Range 1-5
6. Regional – Avg. 2.61, Range 1-5
7. Federal – Avg. 2.52, Range 1-5

9. Time & Money Comparison
(Ranking 1-5, 1=less demanding, 5=more demanding)

- Avg. 1.87, Range 1-4

10. Interruption in business due to regulations

- Of those operations surveyed 4 out of 23 total (17%) had their agritourism business shut down for a period of time for regulatory reasons

11. Reason for Interruption

- Wiring problem in farm store: building inspection failure
- Bad water sample, septic system problem
- ALR restriction on % of floor space in farm store devoted to off farm products
- Failed health inspection

12. Desired Resources (in order of preference)

- Individual contact
- Guide to regulations in print
- Membership in an organization
- Guide to regulations on the Internet
- Workshops/seminars

12. Reason for Operating Agri-tourism Business (in order of importance)

- Profitability
- Make use of idle resources
- Teach farming
- Enjoy working with others & Provide employment (tied)

Appendix D

Survey Results by Region

Thompson-Okanagan

1. Regulations ranked on a 5-point scale (1 = no challenge and 5=severe challenge)

Regulation	*Responses*				*Avg.*
Official community plan amendments	0	1	0	1	0.5
Zoning by-laws	2	1	0	3	1.5
Building permits	1	1	4	2	2
Development permits	0	1	0	0	0.25
Signage on municipal roads	2	1	5	3	2.75
Road access	0	0	1	0	0.25
Parking	0	0	0	0	0
Business licenses	1	0	1	1	0.75
Noise by-laws	5	0	1	2	2
Environmental	0	1	5	1	1.75
Restrictions on % sales from off farm products	1	1	1	1	1
Wineries & Cideries – 50% farm grown rule	0	0	0	1	0.25
Bed & Breakfast restriction to 3 rooms	0	0	0	0	0
Tourist Accommodation 4+ rooms	0	0	1	0	0.25
Construction, renovation or structural buildings	1	1	5	1	2
Food Premises Regulations i.e. FOODSAFE certificate	1	1	4	1	1.75
Sewage, Sanitation, Washroom requirements for food service	0	1	3	2	1.5
Meat, Milk, Produce & other food inspection	0	1	2	1	1
Commercial kitchen requirements	0	1	4	3	2
Signage approval on highways	0	1	5	3	2.25
Business name registration	0	1	0	1	0.5
Liquor Control Licensing & Special Occasion Licensing	0	1	0	1	0.5
Employee minimum wage & working conditions	1	1	1	1	1
Workers compensation, disability & rehabilitation	1	1	5	1	2
Agri-food product standards certification	0	1	1	1	0.75
Manufacturing standards for BC wines	0	0	0	1	0.25
Environmental review of building projects	0	1	0	0	0.25
Business Number Accounts	1	1	1	1	1
Food labelling & packaging	0	1	1	1	0.75
Weights & measures inspection of goods sold	1	1	1	1	1
Export or inter provincial trade of goods	1	0	0	1	0.5
Imported, exported or inter-provincial trade of meats	0	1	1	1	0.75
Health inspection of food establishments & operating permits	0	1	5	1	1.75

2. Cost of Compliance:

1- $8400
2- $71,200
3-$50.00
4 – no disclosure

3. Major Regulatory Challenges Identified:

- Zoning / Official Community Plan
- Development Cost Charges
- Water sampling
- Noise
- Sewer & Septic

4. Useful Contacts for Understanding the Regulations

- BCFGA
- City of Kelowna
- Consultant hired

5. Frequency of Interaction with Government Workers

- May 2002 x2
- June 2002
- July 2002

6. Regulatory Information
(Ranking 1-5, 1=no clarity/consistency, 5=very clear/consistent)

a) Clarity – 1,5,5,5 Avg. 3.2
b) Consistency – 5,5,5,5,5 Avg. 5.0

7. Degree of fit between regulations and agri-tourism business
(Ranking 1-5, 1=no match, 5=well matched)

- 3,3,3,3 Avg. 3.0

8. Government Control
(Ranking 1-5, 1= No Impact, 5=High Impact)

a) Municipal – 3,3,3,3 Avg. 3.0
b) Provincial – 3,3,4,5 Avg. 3.75
c) Regional – 2,3,3,5 Avg. 3.25
d) Federal - 1,1,2,3 Avg. 1.75

9. Time & Money Comparison
(Ranking 1-5, 1=less demanding, 5=more demanding)

- 1,1,1,3 Avg. 2.0

10. Closure of business for regulatory reasons

- Never x 4

11. Reason for Interruption

- None

12. Desired Resources (in order of precedence)

- Guide to laws & regulations in print
- Individual Contact
- Membership in an organization
- Workshops
- Guide to laws & regulations on Internet

13. Reason for Operating Agri-tourism Business

- To increase profitability x 3
- Enjoy working with public x 1

14. Additional Comments/Suggestions

- Government employees should be more knowledgeable about their job and give consistent answers. They change their minds and say something different each time they come.

- All of it makes sense. Regulations are difficult but we have to do it. It is part of the process.

Vancouver Coast

1. Regulations ranked on a 5-point scale (1 = no challenge and 5=severe challenge)

	Responses					*Avg.*
Official community plan amendments	0	1	0	1	2	0.8
Zoning by-laws	0	1	0	3	2	1.2
Building permits	1	1	4	5	2	2.6
Development permits	0	1	0	0	0	0.2
Signage on municipal roads	0	4	4	5	2	3.0
Road access	0	1	0	1	0	0.4
Parking	1	1	0	1	0	0.6
Business licenses	1	1	0	1	0	0.6
Noise by-laws	1	1	0	1	1	0.8
Environmental	1	1	0	5	1	1.6
Restrictions on % sales from off farm products	2	1	0	4	2	1.8
Wineries & Cideries – 50% farm grown rule	0	1	0	0	0	0.2
Bed & Breakfast restriction to 3 rooms	0	1	0	0	0	0.2
Tourist Accommodation 4+ rooms	0	1	0	0	0	0.2
Construction, renovation or structural buildings	1	1	0	2	1	1
Food Premises Regulations i.e. FOODSAFE certificate	1	1	0	3	2	1.4
Sewage, Sanitation, Washroom requirements for food service	1	1	0	5	2	1.8
Meat, Milk, Produce & other food inspection	1	1	0	2	2	1.2
Commercial kitchen requirements	1	1	0	2	2	1.2
Signage approval on highways	0	5	0	5	2	2.4
Business name registration	1	1	0	1	1	0.8
Liquor Control Licensing & Special Occasion Licensing	0	2	0	0	0	0.2
Employee minimum wage & working conditions	0	1	0	3	2	1.2
Workers compensation, disability & rehabilitation	1	5	0	1	2	1.8
Agri-food product standards certification	1	1	0	3	0	1
Manufacturing standards for BC wines	1	1	0	0	0	0.4
Environmental review of building projects	0	1	0	2	0	0.6
Business Number Accounts	1	1	0	0	1	0.6
Food labelling & packaging	1	2	0	2	1	1.2
Weights & measures inspection of goods sold	1	1	0	0	1	0.6
Export or inter provincial trade of goods	0	1	0	2	0	0.6
Imported, exported or inter-provincial trade of meats	0	1	0	0	0	0.2
Health inspection of food establishments & operating permits	1	2	0	0	2	1

2. Cost of Compliance

1- $250.00
2- No disclosure
3- Cost of septic tank & commercial kitchen equipment – can't remember exact costs
4- $2000; believe if they were to comply with everything it would cost them $200,000
5- No disclosure

3. Major Regulatory Challenges (comments)

- Commercial kitchen
- Building permits
- Noise
- Septic system
- Water samples
- Highway & Municipal signage

4. Useful Contacts for Understanding the Regulations

- Pacific Northwest Farm Marketing Association
- City of Langley
- Canadian Food Inspection Agency
- Packaging Company

5. Frequency of Interaction with Government Workers

- Every 4 months
- May 2002
- Can't remember last time
- July 2002
- July 2002

6. Regulatory Information

(Ranking 1-5, 1=no clarity/consistency, 5=very clear/consistent)

a) Clarity –3,3,5,5,5 Avg. 4.2
b) Consistency –3,3,5,5,5 Avg. 4.2

7. Degree of fit between regulations and agri-tourism business

(Ranking 1-5, 1=no match, 5=well matched)

- 1,3,3,3,4 Avg. 2.8

8. Government Control

(Ranking 1-5, 1= No Impact, 5=High Impact)

a) Municipal – 2,3,3,5,5 Avg. 3.6
b) Provincial –1,3,3,3,5 Avg. 3.0
c) Regional –1,1,2,3,3 Avg. 2.0
d) Federal –1,1,3,3,5 Avg. 2.6

9. Time & Money Comparison

(Ranking 1-5, 1=less demanding, 5=more demanding)

- 1,2,2,2,3 Avg. 2.0

10. Closure of business due to regulations

- No x 3, Yes x 1

11. Reason for Interruption

- Wiring in conflict with building code, made repairs, was only closed few days

12. Desired Resources (in order of precedence)

- Individual contact person
- Guide to regulations in print
- Membership in an organization
- Guide to regulations on the Internet
- Workshops & seminars

13. Reason for Operating Agri-tourism Business

- Profitability x 4
- Working with others x 2
- Teach farming x 2
- Provide employment x 2
- Make use of idle resources x 3

14. Additional Comments/Suggestions

- We have not had any problems so far, partly because we have stayed away from food services. I believe those who want to get into the business will do so regardless of the regulations and cost.
- We are in a very good place to do business. Lots of support available and every organization works together to solve problems.
- Have not had any real problems so far. Have not dealt much with the municipality, mostly with health inspectors and the health code, which is fine. It is expensive but understandable to comply.
- If you want compliance and if you want agritourism as a means of income, need grants/funding in order to bring business activities into compliance.

Vancouver Island

1. Regulations ranked on a 5-point scale (1 = no challenge and 5=severe challenge)

	Responses					*Avg.*
Official community plan amendments	0	0	1	0	5	1.2
Zoning by-laws	2	3	1	0	5	2.2
Building permits	1	5	3	0	5	2.8
Development permits	0	0	2	0	1	0.6
Signage on municipal roads	0	1	2	0	1	0.8
Road access	1	5	4	0	1	2.2
Parking	4	1	1	0	1	1.4
Business licenses	4	0	1	0	3	1.6
Noise by-laws	4	0	1	0	5	2.0
Environmental	0	0	1	0	1	0.4
Restrictions on % sales from off farm products	0	1	1	0	1	0.6
Wineries & Cideries – 50% farm grown rule	2	0	0	0	0	0.4
Bed & Breakfast restriction to 3 rooms	0	0	0	2	0	0.4
Tourist Accommodation 4+ rooms	0	0	0	0	0	0
Construction, renovation or structural buildings	0	0	4	0	5	1.8
Food Premises Regulations i.e. FOODSAFE certificate	1	1	0	1	3	1.0
Sewage, Sanitation, Washroom requirements for food service	1	5	1	1	3	2.2
Meat, Milk, Produce & other food inspection	1	3	5	0	0	1.8
Commercial kitchen requirements	1	0	4	0	2	1.4
Signage approval on highways	1	0	4	0	0	1.0
Business name registration	0	0	1	0	0	0.2
Liquor Control Licensing & Special Occasion Licensing	0	0	1	0	5	1.2
Employee minimum wage & working conditions	0	1	4	0	3	1.6
Workers compensation, disability & rehabilitation	1	1	3	0	3	1.6
Agri-food product standards certification	1	0	0	0	2	0.6
Manufacturing standards for BC wines	0	0	0	0	0	0
Environmental review of building projects	0	0	0	0	3	0.6
Business Number Accounts	1	0	0	0	1	0.4
Food labelling & packaging	1	0	4	0	1	1.2
Weights & measures inspection of goods sold	1	0	0	0	1	0.4
Export or inter provincial trade of goods	0	0	0	0	1	0.2
Imported, exported or inter-provincial trade of meats	0	0	0	0	0	0
Health inspection of food establishments & operating permits	1	5	3	0	2	2.2

2. Cost of Compliance

- Business license cost only
- Cost occurred for food inspections, commercial kitchen, minimum wage & food packaging
- Total investment of $250,000, estimate regulatory cost of $13,020
- $7,000 – 10,000
- No information relayed

3. Major Regulatory Challenges

- Zoning
- Parking
- Road Access
- Wages & Benefits
- ALR restriction on store size
- Building Permit
- Noise

4. Useful Contacts for Understanding the Regulations

- Peninsula Agritourism Committee
- Farm Fresh Direct Farm Marketing Association
- Brent Warner, Ministry of Agriculture, Food and Fisheries
- Consultants hired

5. Frequency of Interaction with Government Workers

- April 2002
- May 2002
- June 2002
- Couldn't remember
- July 2002

6. Regulatory Information
(Ranking 1-5, 1=no clarity/consistency, 5=very clear/consistent)

a) Clarity –1,1,3,4,5 Avg. 4.8
b) Consistency -1,1,2,3,5 Avg. 2.4

7. Degree of fit between regulations and agri-tourism business
(Ranking 1-5, 1=no match, 5=well matched)

- 1,2,2,3,5 Avg. 2.6

8. Government Control
(Ranking 1-5, 1= No Impact, 5=High Impact)

a) Municipal –1,2,2,4,5 Avg. 2.8
b) Provincial – 2,2,3,3,5 Avg. 3.0
c) Regional – 2,2,3,1,1 Avg. 1.8
d) Federal – 1,1,1,1,4 Avg. 1.6

9. Time & Money Comparison
(Ranking 1-5, 1=less demanding, 5=more demanding)

- 1,1,2,4,4 Avg. 2.2

10. Interruption in business due to regulations

- No x 4
- Yes x 1

11. Reason for Interruption

- One operation has been shut down several times for not having the proper septic system and for a bad water sample
- Business at time of survey was operating illegally

12. Desired Resources (in order of preference)

- Individual Contact
- Guide to laws in print
- Guide to laws on the Internet

13. Reason for Operating Agri-tourism Business

- Profitability x 4
- Work with Others x 2
- Teach others about farming x 3
- Provide employment x 1
- Make use of idle resources x 3

14. Additional Comments/Suggestions

- "Provincial government could develop a tool kit/model with visual aids to present to municipal councils so that they can see the benefits, spin-offs, economic impact and social benefits from agritourism."
- "Provincial government should set the standards and have municipalities sign off on these. Need political will to review municipal regulations."
- "I think industry people should participate in developing regulations for agritourism."
- "First we need to know the regulations and second, make them easy to understand with help available at a finger tip"
- "Get less involved. I am just fine as it is. Don't review anything, may become worse for me then."
- "Rules and regulations do not apply fairly to everyone"
- "To whom are regional districts accountable? They are corrupt, have no morals and are always changing the rules."

Cariboo-Chilcotin

1. Regulations ranked on a 5-point scale (1 = no challenge and 5=severe challenge)

	Responses			*Avg.*
Official community plan amendments	2	0	0	0.66
Zoning by-laws	2	3	0	1.66
Building permits	0	0	0	0
Development permits	0	0	0	0
Signage on municipal roads	0	0	0	0
Road access	0	0	0	0
Parking	3	0	0	1
Business licenses	0	0	0	0
Noise by-laws	0	0	0	0
Environmental	0	0	0	0
Restrictions on % sales from off farm products	5	0	0	1.66
Wineries & Cideries – 50% farm grown rule	0	0	0	0
Bed & Breakfast restriction to 3 rooms	1	0	0	0.33
Tourist Accommodation 4+ rooms	0	0	0	0
Construction, renovation or structural buildings	0	0	0	0
Food Premises Regulations i.e. FOODSAFE certificate	1	3	2	2
Sewage. Sanitation, Washroom requirements for food service	1	3	0	1.33
Meat, Milk, Produce & other food inspection	1	4	1	2
Commercial kitchen requirements	1	3	1	1.66
Signage approval on highways	5	0	2	2.33
Business name registration	0	0	0	0
Liquor Control Licensing & Special Occasion Licensing	0	0	0	0
Employee minimum wage & working conditions	0	0	0	0
Workers compensation, disability & rehabilitation	0	3	0	1
Agri-food product standards certification	1	0	1	0.66
Manufacturing standards for BC wines	0	0	0	0
Environmental review of building projects	0	0	0	0
Business Number Accounts	1	0	0	0.33
Food labelling & packaging	1	0	1	0.66
Weights & measures inspection of goods sold	1	0	0	0.33
Export or inter provincial trade of goods	1	0	1	0.66
Imported, exported or inter-provincial trade of meats	0	5	1	2
Health inspection of food establishments & operating permits	1	5	0	2

2. Cost of Compliance

- No major expenses to mention, can't think of anything
- $400,000 investment to comply with all health & safety requirements (slaughterhouse operation)
- Just lots of time spent, can't think of too many charges

3. Major Regulatory Challenges (comments)

- Land use / ALR
- Signage
- Slaughterhouse regulations & animal branding
- Regional districts

4. Useful Contacts for Understanding the Regulations

- Ministry of Health
- Federal Meat Inspection Agency
- Agri-Food Canada
- Williams Lake office of MAFF

5. Frequency of Interaction with Government Workers

- April 2002
- May 2002
- 1998

6. Regulatory Information
(Ranking 1-5, 1=no clarity/consistency, 5=very clear/consistent)

a) **Clarity** – 1,1,5 Avg. 2.33
b) **Consistency** – 1,1,5 Avg. 2.33

7. Degree of fit between regulations and agri-tourism business
(Ranking 1-5, 1=no match, 5=well matched)

- 1,2,5 Avg. 2.66

8. Government Control
(Ranking 1-5, 1= No Impact, 5=High Impact)

a) Municipal – 1,2,5 Avg. 2.66
b) Provincial – 1,2,5 Avg. 2.66
c) Regional – 1,4,5 Avg. 3.0
d) Federal – 1,5,5 Avg. 3.66

9. Time & Money Comparison
(Ranking 1-5, 1=less demanding, 5=more demanding)

- 1,2,4 Avg. 2 33

10. Interruption in business due to regulations

- No x 1
- Yes x 2 (one month for one business, one hour for other business)

11. Reason for Interruption

- ALR restrictions on farm sales
- Health inspection problems

12. Desired Resources (in order of preference)

- Workshops / seminars on regulations
- Individual contact
- Guide to regulations in print

13. Reason for Operating Agri-tourism Business

- Profitability x 3
- Working with others x 1
- Teach others x 1
- Provide employment x 2
- Idle resources x 1

14. Additional Comments/Suggestions

- "Need overall better enforcement of regulations; enforcing only those who try to comply is ridiculous. Regulations are not serving anyone if those who comply are forced out of business because of higher costs. Underground economy is the standard here"
- "Simplify the literature so we can understand"

- "Rural setting, no building permits required, health inspector doesn't even check in"
- "Change regional districts so we can work with them."
- "Revamp ALR, ¾ of my land is in the ALR, but it's not productive land"
- "Set regulations out clearly. Ensure me that if I invest and follow the regulations, they won't change before I am finished."

Rockies

1. Regulations ranked on a 5-point scale (1 = no challenge and 5=severe challenge)

	Responses			*Avg.*
Official community plan amendments	0	0	0	0
Zoning by-laws	0	0	0	0
Building permits	0	0	0	0
Development permits	0	0	0	0
Signage on municipal roads	1	0	1	0.66
Road access	1	1	0	0.66
Parking	0	0	0	0
Business licenses	0	1	0	0.33
Noise by-laws	0	0	0	0
Environmental	0	0	0	0
Restrictions on % sales from off farm products	0	1	1	0.33
Wineries & Cideries – 50% farm grown rule	0	0	0	0
Bed & Breakfast restriction to 3 rooms	1	3	2	2.0
Tourist Accommodation 4+ rooms	3	3	3	3.0
Construction, renovation or structural buildings	1	2	1	1.33
Food Premises Regulations i.e. FOODSAFE certificate	2	2	2	2.0
Sewage, Sanitation, Washroom requirements for food service	3	3	1	2.33
Meat, Milk, Produce & other food inspection	0	1	1	0.66
Commercial kitchen requirements	0	2	3	1.66
Signage approval on highways	2	2	2	2.0
Business name registration	1	1	0	0.66
Liquor Control Licensing & Special Occasion Licensing	0	1	1	0.66
Employee minimum wage & working conditions	1	1	1	1.0
Workers compensation, disability & rehabilitation	1	1	2	1.33
Agri-food product standards certification	1	1	0	0.66
Manufacturing standards for BC wines	0	0	0	0
Environmental review of building projects	0	0	0	0
Business Number Accounts	1	1	1	1
Food labelling & packaging	2	1	0	1.0
Weights & measures inspection of goods sold	1	1	1	1.0
Export or inter provincial trade of goods	0	0	0	0
Imported, exported or inter-provincial trade of meats	0	0	0	0
Health inspection of food establishments & operating permits	0	2	2	1.33

2. Cost of Compliance

- $12,000 – buildings and kitchen
- No disclosure
- No disclosure

3. Major Regulatory Challenges (comments)

- Tourist Accommodation restrictions
- Signage

- Commercial kitchen

4. Useful Contacts for Understanding the Regulations
- Personal network
- Provincial agriculture office

5. Frequency of Interaction with Government Workers
- May 2002
- April 2002
- Aug 2000

6. Regulatory Information
(Ranking 1-5, 1=no clarity/consistency, 5=very clear/consistent)
a) **Clarity** – 4, 4, 3 Avg. 3.66
b) **Consistency** – 5,5,5 Avg. 5.0

7. Degree of fit between regulations and agri-tourism business
(Ranking 1-5, 1=no match, 5=well matched)
- 3,3,3 Avg. 3.0

8. Government Control
(Ranking 1-5, 1= No Impact, 5=High Impact)
a) **Municipal** – 1, 1, 2 Avg.1.33
b) **Provincial** – 5, 4, 5 Avg. 4.66
c) **Regional** – 3, 3, 3 Avg. 3.0
d) **Federal** – 1, 5, 3 Avg. 3.0

9. Time & Money Comparison
(Ranking 1-5, 1=less demanding, 5=more demanding)
- 1, 1, 2 Avg. 1.33

10. Interruption in business due to regulations
- No x 3

11. Reason for Interruption
- None

12. Desired Resources (in order of preference)
- Individual contact
- Guide to regulations in print
- Membership in an organization
- Guide to regulations on internet
- Workshops/ seminars

13. Reason for Operating Agri-tourism Business
- Profitability x 3
- Make use of idle resources x 3

14. Additional Comments/Suggestions

- No major problems so far.
- Little enforcement here, not sure all that applies
- Accommodation regulations are more simple to figure out than other ones, less problems with that. The business is better understood.

North

1. Regulations ranked on a 5-point scale (1 = no challenge and 5=severe challenge)

	Responses			*Avg.*
Official community plan amendments	0	0	0	0
Zoning by-laws	0	0	0	0
Building permits	0	0	0	0
Development permits	0	0	0	0
Signage on municipal roads	0	0	0	0
Road access	1	0	0	0.33
Parking	0	0	0	0
Business licenses	1	0	1	0.66
Noise by-laws	0	0	0	0
Environmental	0	0	0	0
Restrictions on % sales from off farm products	1	0	1	0.66
Wineries & Cideries – 50% farm grown rule	0	0	0	0
Bed & Breakfast restriction to 3 rooms	0	0	0	0
Tourist Accommodation 4+ rooms	0	0	0	0
Construction, renovation or structural buildings	0	0	0	0
Food Premises Regulations i.e. FOODSAFE certificate	0	0	0	0
Sewage, Sanitation, Washroom requirements for food service	1	4	2	2.33
Meat, Milk, Produce & other food inspection	0	3	1	1.33
Commercial kitchen requirements	2	0	2	1.33
Signage approval on highways	0	1	2	1.0
Business name registration	0	2	0	0.66
Liquor Control Licensing & Special Occasion Licensing	0	0	0	0
Employee minimum wage & working conditions	1	3	3	2.33
Workers compensation, disability & rehabilitation	1	3	3	2.33
Agri-food product standards certification	0	0	0	0
Manufacturing standards for BC wines	0	0	0	0
Environmental review of building projects	0	0	0	0
Business Number Accounts	0	3	1	1.33
Food labelling & packaging	1	4	3	2.66
Weights & measures inspection of goods sold	1	4	3	2.66
Export or inter provincial trade of goods	1	3	1	1.66
Imported, exported or inter-provincial trade of meats	2	0	1	1.0
Health inspection of food establishments & operating permits	0	0	0	0

2. Cost of Compliance

- $4300
- Cost of FoodSAFE course and commercial kitchen equipment
- No disclosure

3. Major Regulatory Challenges (areas identified)

- Commercial Kitchen and food safety
- Agri-Food Products Act
- Consumer Packaging and Labelling Act

- Weights and Measures

4. Useful Contacts for Understanding the Regulations

- Buffalo Association
- BC Honey Producer Group
- Canada Food Inspection Agency
- Lawyer
- Seminars & Workshops sponsored by MAFF

5. Frequency of Interaction with Government Workers

- May 2002
- August 2001
- June 2001

6. Regulatory Information

(Ranking 1-5, 1=no clarity/consistency, 5=very clear/consistent)

a) Clarity –3,4,3 Avg. 3.33

b) Consistency – 3,4,3 Avg. 3.33

7. Degree of fit between regulations and agri-tourism business

(Ranking 1-5, 1=no match, 5=well matched)

- 3,3,3 Avg. 3.0

8. Government Control

(Ranking 1-5, 1= No Impact, 5=High Impact)

a) Municipal - 3,3,1 Avg. 2.33

b) Provincial - 3,3,3 Avg. 3.0

c) Regional - 3,3,3 Avg. 3.0

d) Federal - 3,3,4 Avg. 3.33

9. Time & Money Comparison

(Ranking 1-5, 1=less demanding, 5=more demanding)

- 1, 2, 1 Avg. 1.33

10.Interruption in business due to regulations

- No x 3

11.Reason for Interruption

- None

12. Desired Resources (in order of preference)

- Individual contact
- Guide to regulations in print
- Membership in an organization
- Workshops / seminars

Reason for Operating Agri-tourism Business

- Profitability x 3

15. Additional Comments/Suggestions

- "Major cost component is time. For example, the number of seasonal employees we have increases the time complying with monthly reporting requirements to Revenue Canada and WCB"
- "Need more transparent regulations, need to know before doing"
- "Don't add more regulations, need time for business to catch up"
- "Should be different categories for business regulations to fit under. Because this is a small business, need to get going first before we can comply with everything."